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Evaluation

Evaluation of the second global cooperation framework*

Executive summary

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* The collection of data required to present the Executive Board with the most current information has delayed submission of the present document.

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I. Introduction

A. Context

1. In its decision 2001/7 of 5 February 2001, the Executive Board of UNDP/UNFPA approved the second global cooperation framework (GCF-II) (DP/GCF/2). The purpose of GCF-II is to contribute to UNDP global efforts to reduce poverty and promote sustainable human development (SHD). The development objective of GCF-II is to provide windows for developing countries to influence global trends and benefit from global knowledge on critical dimensions of human development in order to reduce poverty and human inequity.

2. GCF-II was designed as "a critical tool in the transformation of UNDP into a globally networked policy-advice organization focused on global poverty reduction and sustainable human development", as indicated in document DP/GCF/2. Its main purpose is to move UNDP in the direction outlined in the Administrator's Business Plans, 2000-2003 (DP/2000/8). A concrete target was "the integration of UNDP global development thinking and advocacy with country-level practices". To accomplish this, three types of services were planned:

(a) "Global advocacy and analysis to generate knowledge, build alliances, and promote enabling frameworks on key development issues;

(b) "Policy advice, support and alignment across programs, drawing on the global network of policy specialists; and

(c) "Knowledge-networking and the sharing of best practices, drawing on the subregional resource facility (SURF) system and communities of practice to support country and regional programming efforts."

3. The current phase of GCF-II ended in December 2003, but at its annual session 2003, the Executive Board approved a one-year extension of GCF-II (DP/GCF/2/EXTENSION 1) for the period January to December 2004. The Administrator indicated that the UNDP Evaluation Office would undertake a forward looking evaluation to assess the effectiveness of the overall approach of GCF-II and the outcomes achieved, with a view to providing strategic input into the preparation of the third GCF. The present report provides a summary of the findings of the independent evaluation carried out by a team of five international consultants from December 2003 to June 2004.

B. Objectives of the evaluation

4. In accordance with the terms of reference for the evaluation, the main objectives are to: (a) assess the overall performance and degree to which the intended organizational goals and development results have been achieved; (b) ascertain how GCF-II has contributed strategically to positioning UNDP as a major upstream policy advisor for poverty reduction and sustainable human development, and as a knowledge-based organization; and (c) develop recommendations for the design of the third phase of the GCF.

C. Approach and method

5. The scope of the evaluation is broad and complex, encompassing issues at both the global and country office levels. The main emphasis has been placed on the 'substantive' aspects of GCF-II, covering the complex set and interplay of policy analysis, advocacy and advisory services, and the practice and cross-cutting areas. Equally important were how and by which means GCF-II has been implemented and managed. This second area covers the management of GCF-II per se: oversight, monitoring and reporting, financial and human resources management.

6. GCF-II is managed centrally by the Bureau of Development Policy (BDP), and global resources form a major part of the overall BDP budget. While the link between GCF-II and BDP is integral, it is important to note that this present evaluation is not an assessment of BDP. It does, however, touch on several BDP organizational, institutional and management dimensions relevant to its implementation of GCF-II. The key elements of the methodology are given below.

7. **Desk/documentation reviews.** The evaluation was preceded by a preparatory phase, during which the Evaluation Office identified and assembled key reports and reference documents associated with GCF-II and mapped the GCF-II project and programme portfolio (see annex B of the main report).

8. **Interviews and consultations.** The data to support the analysis was provided through structured and unstructured interviews, focus group discussions, and consultations with some 350 officials from a wide variety of organizations. The team conducted initial interviews with UNDP key stakeholders in New York, followed by field visits. The main stakeholder communities interviewed included UNDP, selected United Nations organizations in New York and at the country level, selected programme and donor country governments (through their United Nations missions in New York and in some capitals), Executive Board members, and other entities, for example, non-governmental organizations (NGOs), the private sector, and civil society organizations, as determined through each country visit (see annex A of the main report).

9. **Surveys and data collection.** As the GCF-II 'stakeholder community' is large and widespread, a series of surveys was designed and executed to collect additional information and validate perceptions and viewpoints. The main surveys included:

(a) *A self-assessment survey* of selected GCF project managers (all in BDP), as well as other selected practice/thematic focal points. This survey was executed at the start of the evaluation and approximately two thirds of those surveyed responded.

(b) *Survey of policy specialists*. Given the large number of policy specialists (75), a special web-based survey was designed and executed after the first round of field visits.

(c) *Survey of resident representatives*. Similar to the preceding, a survey was also carried out for the resident representatives to obtain their views on GCF issues and priorities.

(d) *Sample of global projects*. From the portfolio of more than 150 global projects, BDP provided to the team a sample of 10 projects covering all of the practice areas (see annex C). A general review of these projects was carried out, through interviews with their project managers and different stakeholders and a review

of some of the associated documentation. In the course of its work, the team also had the chance to study other global projects.

(e) *Review of the thematic trust funds (TTFs).* All TTFs were subject to a general review through interviews with their managers and desk reviews of available reports and documentation.

Field visits by region

Africa	Asia Pacific	Latin America	Europe and CIS	Arab States
Benin Botswana Lesotho Kenya South Africa Senegal	Thailand Lao People's Democratic Republic Nepal India	Barbados Brazil Panama Trinidad	Bratislava Lithuania Azerbaijan	Lebanon Jordan
Others: Brasilia Poverty Centre, Oslo Governance Centre				

10. **Visits to country offices and SURFs.** During the inception phase, a sample of country offices and SURF sites was selected jointly by BDP and the Evaluation Office with input from the regional bureaux (see table 1). In addition, two GCF-funded centres were visited: the Poverty Centre in Brasilia and the Oslo Governance Centre. During country visits, structured interviews and focus group discussions were used as the prime method of data gathering. Separate mission reports were prepared for each visit and these served as a main input to the preparation of the main report.

D. Special considerations

11. While the methods and techniques used for data gathering and analysis generally conform to industry standards for evaluations, and results are considered as fairly representative of GCF-II performance, there are some caveats. The design and implementation of GCF-II presents a wide, complex universe from which a small number of components were selected for review. As with any highly complex initiative, not all GCF components could be individually assessed. This evaluation presents a snapshot of performance for key GCF-II components and others based on representative sampling. The team did, however, expend considerable effort in interviewing key stakeholders and policy specialists, especially those out-posted to the SURFs, to gain an understanding of how GCF-II has operated, particularly at subregional and country levels.

II. Main findings

A. Policy analysis and advocacy

Contribution to global policy analysis and advocacy

12. GCF-II was found to have supported global advocacy and research through the development of the *Human Development Report*, the carrying out of development studies such as those on global public goods and trade, and through the production of a number of publications, policy notes and reports in all practice and cross-cutting areas (see section 3A). The production of the *Human Development Report*

and reports on trade and global public goods, in particular, were seen as reaffirming the UNDP role as global leader in development thinking.

13. GCF-II is a main but not the sole contributor to the UNDP role in global advocacy, policy advisory services and knowledge networking. In the area of global advocacy, as compared to the national context, it is relatively easy for UNDP to set the terms of the global debate on a given issue. Under GCF-II, advocacy at the global level was pursued primarily by headquarters' units through the *Human Development Report*, development research and studies, and global conferences and workshops.

14. However, the findings suggest that UNDP has failed to internalize key advocacy instruments (i.e., the *Human Development Report* and publications on global public goods) and build on their added value in its own internal programming and operational dynamics. The question of impact and 'leadership' of other advocacy and research carried out by BDP through GCF-II remains open. In the opinion of the team and many stakeholders consulted, it would take considerable time and resources for UNDP to build up the sort of credibility in research that might match that of better resourced organizations.

15. In addition, the subject of policy advocacy was found to be more sensitive at the country level than at the global level, particularly in governance, human rights, corruption and gender, where there is political and/or social sensitivity – which is not surprising. Most respondents felt that UNDP should not confuse helping governments to identify and assess alternative strategies with the promotion (advocacy) of one particular line of action. Where UNDP endeavoured to advocate a particular position, such advocacy was seen by some to contradict or undermine the oft-cited UNDP strength of neutrality. UNDP is facing the challenge of balancing the roles of champion of normative United Nations standards and broker of policy options acceptable in a specific country context.

Contribution to policy advice

16. No other component of GCF-II generated as much discussion or debate as that of 'policy advice', the second service type designed to support the achievement of GCF-II objectives. To be sure, policy advice and related services are provided by UNDP through a wide range of means by all the bureaus and country offices, and the team viewed GCF as but one part of the multi-faceted UNDP role in the policy domain.

17. The evaluation findings suggest that when too much emphasis was given to the term 'upstream policy advice', expectations were found to grow as to what value UNDP could add to 'upstream' national development policy, and what UNDP could expect from itself and its staff. The GCF-II role in this area was seen more in terms of its contribution to the broader *policy domain* through a combination of dialogue, analysis, process facilitation, advocacy and other inputs and strategies. Overall, the value of UNDP GCF contributions was enhanced when driven by programme country needs, when grounded in operational experience, and when delivered by or through quality expertise.

18. The main instrument through which policy advisory services were provided was the separate global project Global Programme Policy Support Services (project

number GLO/01/001), by far the largest of all core-funded global projects. The project's main thrust was the recruitment and funding of 75 policy specialists – 50 based at the field level and 25 at headquarters. Based on the findings, the team concludes that the role of policy specialists as policy 'advisors' was not generally effective, nor was there too much demand from UNDP country offices or programme countries for such 'policy advice' services. Rather, the greater value of the policy specialists was generated through the delivery of a range of technical and specialized services and support to activities seen as inputs to policy development and policy implementation. Furthermore, the out-posting of policy specialists was a positive move in backstopping and enhancing country office capacities and in strengthening the community and/or practice of learning.

19. Through discussions with country offices and programme countries, the team learned that quality policy expertise could be delivered through a range of modalities – contracting out, outsourcing, partnerships and retainers – and the input cost dynamic varied significantly by region and country. The evaluation findings indicate that the delivery of such expertise through relatively high-cost fixed salaries of policy specialist staff may not be the most cost-effective modality in all cases.

B. Support to the transformation of UNDP into a knowledge-based organization

20. GCF-II has contributed to the transformation of UNDP into a globally networked, knowledge-based organization through the decentralization of policy support capacity, the building and maintenance of communities of practice, and the creation and nurturing of practice networks. It is in this area that most of the core global resources were allocated. The greatest impact of these services has been felt at the country office level, where internal capacities have been expanded and country offices have improved the quality and quantity of their programming.

21. Among the wide range of stakeholders consulted within and outside UNDP, the team found a high degree of receptivity and support for GCF-II objectives to strengthen UNDP as a knowledge-based, knowledge-networked organization. However, the team also noted a lack of common understanding, as the vast majority of interviewees found great difficulty with the term 'knowledge management' because it generated widely varying interpretations. Most felt that knowledge simply could not be 'managed' and that UNDP should not purport to do so. The team concluded that the emphasis should be on the sharing of knowledge and information and the task of enabling access to it.

C. Practice areas and cross-cutting themes

22. GCF-II was designed to contribute to poverty reduction and overall human development at the country level. While a number of activities and outputs from the various practice and cross-cutting areas point to promising outcomes, it is still too early to make informed judgments regarding the ultimate impact of GCF-II projects and programmes in the long term. It is not that GCF-II–funded initiatives are not working towards such objectives; it is a question of the level or degree of impact

that remains open. The following presents a small sampling of the many such contributions that have been made through GCF-II. Section 4 of the main report provides more complete presentation of findings on practice areas and cross-cutting themes.

Contribution to the policy debate on poverty reduction

23. There is strong evidence to indicate that the Millennium Development Goals (MDGs) are emerging as the UNDP niche market. In many regions, the MDGs and the preparation of national MDG reports has become one of the UNDP signature products. MDG monitoring and reporting were considered by many to be perhaps the single most important BDP contribution during the period under consideration. The Poverty Practice Group provided leadership, took charge of inter-agency coordination and established and managed the MDG-Net.[1] To date, over 70 country reports have been issued, together with five regional reports. During country visits, the team was able to confirm the high level of interest in UNDP support on the design and implementation of MDG programmes at the national and local level.

24. While advisory services provided by SURF specialists were often observed in technical backstopping or project formulation, the team also noted examples where the main areas of country office demand concerned macroeconomic policies in trade, employment or even budget formulation. However, the demand for SURF services in macroeconomics and poverty varied according to the characteristics of each country and the nature of participation of major donor agencies. In the area of poverty and social development, the picture was mixed, with a range of ad hoc activities undertaken in response to requests from country offices in the least developed countries (LDCs) and middle-income countries. GCF-supported initiatives have produced material in areas such as the social dimensions of poverty reduction, trade and export strategies for small countries (the Djibouti model), gender budgeting and mainstreaming gender in poverty reduction, although no reports were available on the overall reaction to and demand for such studies and services.

25. In all countries visited, the team found that UNDP had created a high level of trust because of what was seen as its impartiality and willingness to understand and represent the interests of government and civil society in the area of poverty reduction. Consequently it was able to play a brokerage role that made it possible to involve a wide range of actors in policy dialogue and programme implementation.

Contribution to sustainable development

26. Through support from GCF-II, UNDP was successful in developing partnerships in energy and environment, as agreed at the 1992 Earth Summit and reaffirmed at the 2002 World Summit on Sustainable Development a decade later. The global *environment* programme supported activities on integrating environment in national development frameworks, strengthening local environmental governance, and addressing global and regional environmental challenges. The East Africa cross-

[1] The MDG e-network had the highest rating in the 2003 Global Staff Survey, and was the only e-network to include external members from CSOs, governments, donors and United Nations organizations).

border biodiversity conservation project that ends in June 2004 is a good example of effective UNDP–Global Environment Facility (GEF) collaboration.

27. The global *energy* programme encompassed activities to enhance access to energy for sustainable development, provided access to rural energy services to reduce poverty, promoted sustainable energy technologies to lower greenhouse emissions and helped to mobilize access to new financing modalities.

28. The UNDP global staff survey rated the energy and environment practice as the second highest practice group in providing services. At the global level, the energy and environment practice area pushed the UNDP policy envelope to a considerable level through preparation of a number of knowledge products, such as the *Clean Development Mechanism User's Guide* that received peer review for publication.

Contribution to democratic governance

29. The global democratic governance programme supported the underlying principles of assistance to democratic governance and conflict resolution, participation in political and civic life, inclusion of the poor in matters of public policy development and accountability. Democratic governance covers many areas of UNDP traditional strengths, such as decentralization, political participation, social equity, giving voice to poor and vulnerable groups, and promoting equitable access to public goods and services. This practice area has also been on the cutting edge of emerging areas such as e-governance, promoting political and democratic processes in post-conflict societies, anti-corruption and equal access to justice. Many of these draw on main UNDP assets: the trust all major development actors have in UNDP thanks to its mandate and neutrality and what is seen as the organization's deep understanding of local and national culture and political processes. At a time of constrained financial resources, democratic governance is also a sector that many donors have continued to support. Consequently, it is likely to be one of the central pillars of the future GCF strategy.

30. The team found widespread recognition that UNDP enjoys a comparative advantage in many democratic governance areas. Indicative of the support enjoyed by this practice area, in 2001-2003 the democratic governance programme has been able to mobilize a significant level of TTF and project cost-sharing support amounting to $33 million and $3.7 million, respectively – more than the poverty, information and communication technology (ICT), energy and HIV/AIDS trust funds combined.

31. In addition, the democratic governance practice area has developed an extensive network of partner institutions at the international, regional and national levels. The urban management programme alone has developed partnerships with more than 20 institutions in all regions. The progress towards the United Nations-wide rollout of Huritalk as the network on human rights is considered a good example of where governance products are being promoted to a much broader audience.

Contribution to the global fight against HIV/AIDS

32. The HIV/AIDS practice facilitated implementation of a broad spectrum of support under UNDP corporate strategy, which in tandem with three service lines

appeared to have brought coherence to the HIV/AIDS practice area. These service lines have led to breakthrough initiatives that addressed stigma and discrimination, gender-related aspects of the epidemic, institutional inertia, multi-sectoral partnerships and community decisions. Another key feature was the capacity development process for each of the service lines.

33. The policy note prepared in August 2002 provided policy guidance on HIV/AIDS and poverty reduction strategies. Work has been done at the country level regarding this issue, most notably in Botswana, but also in Armenia, Burkina Faso, Burundi, Cameroon, Ethiopia and Madagascar, among others, including in national and regional human development reports. Work on HIV/AIDS and poverty reduction strategy papers (PRSPs) continues in many countries, and is a key concern for UNDP. Currently, the HIV/AIDS practice group focus is on generating an effective response, addressing underlying causes that fuel the epidemic, building multi-sector and multi-level partnerships with a focus on results, facilitating community decision-making and access, and involving people living with HIV/AIDS in the response.

Contribution to other cross-cutting areas

34. *Gender.* The team found that one area in which most progress had been made was mainstreaming gender in the MDGs. Many countries now produce national MDG reports and even more have committees working on particular MDGs or groups of MDGs. Engendering national budgets was found to have become an increasingly important area of support to incorporate gender into development financing and national budgets, and also as a potential entry point to the PRSP process. Investing in Women was another of the 10 global projects selected for assessment. This showed how, when working in partnership (in this case with the United Nations Development Fund for Women (UNIFEM) and the Women's Environment and Development Organization (WEDO)), a small financial contribution ($50 000) could be leveraged to make an important contribution in a major international policy forum (the International Conference on Financing for Development).

35. *Information and communication technology for development (ICTD).* In ICTD, the team found that GCF-II had contributed across a number of its planned service lines; the largest area was in helping (through the country offices) to design and implement national and regional ICTD strategies (e-strategies). The inconsistent UNDP ICTD policy was an issue because there was a mismatch between its visibility as a practice and its absence in the structure of GCF and the strategic results framework (SRF). The closing of the practice and its integration as a service line into the poverty and governance practices in the context of the multi-year funding framework (MYFF) 2004-2007 caused some concerns, particularly in countries that had begun to focus on ICTD as a priority with UNDP support. Changes were sometimes perceived as a retreat rather than as an effort to refocus to enhance synergies. The team draws a clear lesson from the ICTD experience – which could probably be generalized to other areas: if UNDP moves into a new area, builds programming and relationships, it must either be prepared to make a long-term commitment or present a carefully planned, widely understood strategy of exit or change.

36. *Capacity development*. In the newly articulated cross-cutting area of capacity development, three books have been published, drawing conclusions and formulating advice and advocacy from a rich pool of experience.[2]

D. Institutional arrangements and instruments

37. The team found that, through GCF-II support mechanisms, UNDP programmes were more vertically integrated, linking country, regional and global programmes. This was achieved primarily through *communities of practice* and practice networks, the SURFs and role of policy specialists, and collaboration between BDP and regional bureaux. However, it did not appear that GCF-II had achieved any closer geographic integration by promoting South-South exchange and cooperation across regions. Finally, there was a closer thematic integration at the SURF level by linking relevant practices and themes, teamwork and mutual support initiatives, for example.

38. GCF-II initiatives sought out a wider range of *partnerships* and cooperative arrangements with national and international public, private sector, academic/research and civil society organizations. GCF-II initiatives have also been strengthened through more formal internal partnerships (e.g., inter-bureau memoranda of understanding on services) and with other United Nations organizations. This dimension of networking and sharing through formal and informal partnership arrangements was seen to both broaden UNDP global reach and open up the organization to outside influences and knowledge. While the *quantity* of partnerships has increased, their *quality* appeared uneven.

39. Reformed use of the TTF mechanism contributed to the mobilization of non-core resources and their concentration on UNDP programming priority (practice) areas. However, two TTFs received the bulk of funds, and the transaction costs associated with the proposal submission process and TTF management indicate a major need for streamlining and perhaps the consolidation of some TTFs.

40. The design of *global projects* was seen to be highly variable, sometimes with unclear objectives and measures of performance. Furthermore, decision-making was insufficiently transparent, with limited consultation and participation. Clearly, there are major opportunities for strengthening the corporate governance of global projects and broadening participation in design and decision-making.

41. The *execution* of GCF-II projects was seen as generally weak, with BDP appearing to have insufficient execution capacities, despite the fact that significant extra-budgetary income was generated through the collection of extra-budgetary resources earned through the project management. While they are compelling reasons for UNDP to continue to execute its own projects, there are equally compelling reasons to find alternative implementation modalities that make the most sense, such as through operational partnerships and implementing agencies.

42. In terms of GCF-II *programming*, the criteria are too broad and do not address the need of global initiatives to support the transformation of UNDP. Furthermore, there are no clear guidelines on the allocation of GCF-II resources or how priorities

[2] *Capacity for Development: New Solutions to Old Problems, Developing Capacity through Technical Cooperation: Country Experiences* and *Ownership, Leadership and Transformation: Can We Do Better for Capacity Development?* Publications accessible at http://www.undp.org/capacity.

are set. There is an opportunity to define UNDP programming principles as they might apply to the future GCF.

E. Management of GCF-II

43. The team found that the greatest weakness of GCF-II was in management, and not simply weaknesses in management processes. The issues imply the need for a major rethinking of the overall management strategy for GCF-II.

44. *Oversight* of GCF-II was found for the most part to be unsatisfactory. There should be a stronger, more regular corporate role in monitoring performance and providing direction on at least an annual basis, providing the opportunity formally to adapt design to changing circumstances. Furthermore, GCF-II accountability appeared diffuse and unclear, with no clear link between what expected results, decision-making authorities, requisite resources and monitoring and control systems. It would seem that accountability structures would need to be developed at different levels for the different components of the GCF: at the macro-level for overall GCF-II performance, and at the component level for individual projects and TTFs, for example.

45. The *reporting* of GCF-II performance was piece-meal and highly variable, with some components strong (e.g., TTFs, SURFs) and others weak (e.g., global projects). With combined weaknesses in financial information, monitoring was suboptimal. While the new Atlas system and other planned improvements in BDP may redress this system, there is a need to devise a monitoring and reporting system that can be rolled up from the component level to provide aggregate GCF performance information.

46. The GCF *resource allocation* model allows for limited flexibility for the pursuit of global issues at the country level by country offices. The bulk of resources are controlled by BDP, and the logic of global resources controlled by a single central bureau is not fully consistent with the design logic of the GCF – which seeks to provide windows for developing countries to influence global trends and benefit from global knowledge. There are opportunities to increase the GCF flexibility to allow country offices and other UNDP units greater and more direct access.

III. Lessons learned and emerging issues

47. *GCF design.* Based on the evidence, it would appear that GCF-II never truly articulated the space or the niche areas that it intended to fill or address. GCF-II became more of a *conglomerate of projects*, funding mechanisms and other instruments that did not gel into a cohesive framework nor fit a broader strategy. A global programme as envisaged in the GCF is neither a support service to the country office nor a series of global, regional and country-level projects. Global programmes should by their very nature address truly global issues that go beyond country specific or regional dimensions. When they focus on the UNDP mandate and practice areas, global programmes are likely to enhance organizational effectiveness, promote its normative values, support all programming through innovation and research and expand the body of knowledge.

48. The complexity in the design of the GCF through its overlay of multiple dimensions, practice and cross-cutting areas, service lines and use of numerous instruments tend to generate unrealistically high or mixed expectations. This can quickly become a formula for disappointment when objectives are not reached or performance cannot be measured. The mixing of programme development objectives and internal organizational objectives complicates allocation of resources, budgeting and performance management. Simplicity of design is best achieved by focusing on a few main corporate goals linked to the MYFF.

49. Finally, effective design is conveyed through the use of effective language. The use of hyperbole and inflated language do not add much to the development debate nor the UNDP role in it. As elsewhere, objectives and expected results of official development assistance tend to be overly ambitious. A modest, factual and therefore more realistic use of plain language in GCF design, programming and project documents would generate greater awareness, understanding and ultimately acceptance of the programme.

50. *Policy analysis and advice.* Lack of clarity in the definition of policy advice can lead to confusion of mission, mandate and role of UNDP and the GCF in the policy domain. When too much emphasis is given to the term 'policy advice', expectations grow as to what value UNDP can add to 'upstream' national development policy, and what UNDP can expect from itself and its staff. The contribution of global programmes to the policy domain generates greater, measurable results when they are seen as contributions to policy development through a combination of dialogue, analysis, process facilitation, advocacy and other strategies. The value of UNDP GCF contributions is enhanced when driven by programme country needs, grounded in operational experience and delivered through access to credible expertise.

51. The role of policy specialists as policy advisors has not been measurably effective, nor is there much demand from country offices or programme countries for such services. Rather, policy specialists' greater value is generated through their delivery of a range of technical, specialized services and support to activities seen as inputs to policy development and implementation. The out-posting of policy specialists is a positive move in backstopping and enhancing country office capacities and in strengthening the community of learning.

52. GCF resources might be more cost-effective through optional approaches to securing policy expertise: e.g., staffing of policy specialists, contracting out or outsourcing, operational partnerships and retainers, among other options. If policy specialists are used primarily for internal country office support, then global core funds may not be the appropriate funding source. However, where the role of such specialists can be clearly linked to global programming and priorities, the use of global core resources would be appropriate.

53. GCF global aims are best realized through strong links with regional cooperation frameworks (RCFs) and country cooperation frameworks (CCFs), but particularly in the RCF connection. Building on SURF experiences, the new regional centres can strengthen these links and ensure that GCF-funded policy specialist resources are optimally managed close to the source of demand. Inter-bureau cooperation in the guidance and supervision of regional centres enhances performance and cost-effective utilization of GCF resources.

54. *Knowledge networking/sharing.* The diverse quality and overwhelming quantity of 'knowledge' products and services of UNDP can saturate the organization, erode

its capacity to pursue quality work, and divert it from real development priorities. Continuous monitoring and evaluation of the portfolio of 'knowledge services' will provide assurance that value remains closely aligned to UNDP needs. *Sharing* knowledge and information rather than *managing* it is valued more by both UNDP and its development partners. Greater impacts are generated by a limited number of materials and channels for the exchange of information. More does not equal better. Practice networks and other channels for the sharing of knowledge that are user-friendly and attractive find greater usage even for overworked staff members. The amount of knowledge that is generated and shared is directly related to individual and institutional learning capacity; and if learning capacity is limited, then no amount of knowledge over and above what can be absorbed will be used.

55. *Programming and management.* Unlike with other UNDP programmes, programme countries have little if any direct say in the GCF. Other bureaus within UNDP often feel left out of decision-making processes. Direct, exclusive control of programme funds can generate the perception of discretionary funding for headquarters groups, and in some cases questionable use of resources. Such perceptions can take greater root in the absence of documentation, proper systems for reporting and financial accountability. A proper oversight system ensures that decisions made within one unit are in line with GCF and corporate strategy.

56. Accountability for the management of GCF resources cannot be delegated to BDP or any other organizational unit without adequate execution or implementation capacity, decision-making authority, and a proper system for reporting, monitoring and resource management. UNDP, as a main advocate for governance – transparency, openness, accountability – should be an example and provide exceptional assurances that its handling of GCF-II meets all standards of good management.

IV. Recommendations

57. Based on the findings of this evaluation, it is recommended that the next phase of UNDP GCF-III feature the main strategic components given below. Section 7 of the main report presents more technical recommendations dealing with performance, institutional arrangements and management.

Strategic direction

58. *Greater focus.* GCF-III should continue to provide a two-way window for programme countries – the ultimate beneficiaries – to influence and be influenced by global trends, and benefit from global knowledge in the pursuit of their national development priorities and the MDGs. The MDGs might be considered one of the organizing principles (linked to the MYFF) in GCF-III. Under GCF-III, UNDP should continue to narrow the focus on one or two practice areas plus a complementary but small set of secondary practice, thematic and cross-cutting areas. A more formalized, consultative method for programming, programme design and allocation of resources should reflect the variable demand for services by region, subregion and country. No less important, in order to link the intended

objectives to measurable results, the language of the GCF should be clear, concise and meaningful, not bound by rhetoric and platitudes.

59. *Refining the framework for global cooperation.* The term 'global' needs refinement and put into practical and operational contexts – not to be used simply as a broad rationalization for any type of programming and funding of initiatives. This means that the criteria for the use of global resources must be clear and applied consistently, and sufficiently distinct from regional or country-level programming. More attention should be given to 'cooperation' through use of operational partnerships and closer collaboration with other United Nations organizations. The 'framework' itself should be simplified by narrowing the aspirations, scope and anticipated achievements of GCF. Development and transformation-related objectives must be measurable, have baselines, be easily programmed and linked to the MYFF.

60. *Design and funding flexibility.* The design of the third phase of GCF should be sufficiently flexible to respond to major changes in external and internal environments. GCF design should be formally reviewed and amended, if needed, on an annual basis. Country offices in particular should have greater flexibility in directly accessing GCF core resources to operate the two-way global windows at the local level, and to pursue sensitive global priorities that would otherwise be difficult to pursue from existing funding sources. One option might be to structure and fund a global 'sub-programme' that could be accessed directly by resident representatives, similar to the budget line to support the resident coordinator system or target for resource assignment from the core (TRAC) line 3.1 in programming arrangements. Such an arrangement would allow country offices to pursue sensitive global issues at the country level. Decentralization of human and financial resources, including GCF resources (as in the case of the out-posted policy specialists), is the direction in which UNDP is moving.

61. *Change and transformation strategy.* The next GCF phase should continue to be applied to the transformation of UNDP into a knowledge-sharing, globally networked development agency. The programming of GCF resources should be based on clearly set aims and criteria. It is important to strengthen efforts to share experiences with the international community and carefully select issues for advocacy. More effort should be devoted to developing a culture of learning in UNDP. Change should be managed strategically – seen over the long term and be incremental, multi-dimensional (i.e., people, organizational structures, systems and processes), measurable, phased, linked to other change initiatives in UNDP and to United Nations simplification and harmonization processes. Special attention should be given to identifying and managing resistance to change and, equally important, to taking into account the real cost of change if the organization is to reap long-term benefits. UNDP is urged to pay greater attention to the human costs of organizational changes. Management is also urged to recognize and address the negative image of UNDP that constant reorganization creates among partners if it results in disruption or confusion of ongoing programmes.

62. *Policy advice and policy specialists.* In terms of UNDP transformation to an upstream policy advisory organization, it is recommended that the comprehension of policy advice be modified or adjusted to reality – and what many consider to be a main strength of UNDP – the provision of a range of both upstream and downstream technical assistance and professional services in the policy domain. If the notion of 'upstream policy advice' is to be continued, then it should be explicitly defined, in

practical terms. The multifaceted nature of UNDP policy work needs to be taken into account.

63. Clarification is needed of the role, purpose and funding of policy specialists. All policy specialists and advisors in UNDP – whether funded by core posts, regional or global programmes, or other means – should be *managed strategically*, and not in a piecemeal manner. This GCF component must not be perceived to be merely a strategy to build UNDP staff capacity but to better support programme countries. UNDP should continue to use programme funds for engaging policy specialists at headquarters and in the field. But options should be studied (including cost-benefit) in terms of in-sourcing, outsourcing and/or regionalization of policy specialist resources in order to arrive at a more rational, cost-effective mix, and to optimize both the quantity and quality of service. Consideration should be given to setting up a special fund or internal corporate account for the funding of policy specialists, rather than using a project mechanism such as the Global Programme Policy Support Services project, as is presently the case. This assessment cannot comment on the optimal mix, as more study would be needed.

Improving substantive performance

64. *Policy advice and support.* As the SURFs are integrated with the new regional centres, a 'service model' should be developed for policy-related services, which is linked to current strategies associated with knowledge management. The business model would answer questions on identification of clients, their needs and service expectations; the management of client relationships; measurement of performance; setting of quality standards; and alternative strategies (and associated costs and benefits) for service delivery. The products and services should be clearly identified. This would require supply-demand analyses for each region and not simply presume that the policy specialist or SURF is reactive or proactive, or demand driven or supply driven.

65. In the new regional centres, serious consideration should be given to deploying policy specialist resources (i.e., in the form of policy specialist UNDP staff and/or budget and contract facility) as close to their client countries as possible, in numbers and practice areas proportionate to demand at the regional and subregional levels. For example, there may be sound logic for: (a) the deployment of governance specialists and/or financial resources to both the Katmandu and Bangkok regional centres; (b) the deployment of ICT specialists and/or financial resources to the SURF in Beirut; (c) the relocation of specialists and/or financial resources in Latin America from Panama to other countries; and (d) the continued deployment of environmental specialists and/or financial resources in Nairobi rather than relocation to the Pretoria regional centre.

66. *SURFs and regional centres.* As the SURFs will disappear and their function becomes part of UNDP regional centres, it may be worthwhile to collect and document their achievements and experiences. A review study could also assess which lessons should be drawn for the ongoing change management. Related recommendations on policy services are covered in section 7.2.1-B of the main report. Every effort should be made to minimize the loss in terms of subregional services and to balance carefully services made available to the two main groups of clients – country offices and governments – who have their own close, privileged

relationships. While the establishment of regional centres is going through an experiment phase, UNDP is well advised to aim for a somewhat uniform organizational structure and corporate terminology. Regions, such as the Arab States, establishing regional centres at a later date, should actively seek lessons from the establishment of centres in Asia and Africa.

67. *Knowledge-sharing, knowledge management and networking.* Insofar as GCF is to be used as an organizational transformation tool, emphasis should be given to *strengthening the learning culture* of UNDP. Continued emphasis should be on identifying and documenting good, innovative practices that have been used on one location, and to promote their adaptation in other countries or settings. More attention should be given to *country offices as the best sources* of and application of knowledge and experience, lessons and good practice. UNDP should strengthen its capacities to capture, document and disseminate this information. Knowledge management should not be directed only towards benefiting UNDP staff, but should be clearly linked to the capacity development of host developing countries. (It was noted by BDP that the MDG-Net is inclusive and has members from programme countries – governmental and non-governmental.) The knowledge networks should be made accessible to staff in all United Nations organizations as well as national counterparts in partner countries. There should be a deliberate policy within UNDP to encourage external knowledge-sharing.

Practice and cross-cutting areas

68. *Poverty.* While there is a high level of demand for technical assistance and related support services in the poverty area, there are many actors offering financing and technical support to governments and civil society. GCF success will depend in large part on its ability to find niches where it has a comparative advantage and where it can effectively leverage its financial and professional resources. A number of advocacy civil society organizations would like to see UNDP help to open up political space for NGOs to have more active participation in national dialogue on poverty reduction, MDGs and related topics. Future GCF strategies should build on MDG momentum and seek ways to translate the high level of interest into a cost-effective development instrument.

69. *Energy and environment.* A main challenge is how the practice architecture, including matrix management principles, can be mainstreamed throughout UNDP, so that the importance of policy support functions at all levels of the organization will be recognized and inculcated under a GCF-III. The synergies achieved can be consolidated in the MYFF and new regional centre structure by: (a) expanding the resource base through a combined TTF for the practice area; (b) achieving better knowledge extraction, especially through a review of the GEF portfolio for lessons learned from use of GCF core resources for data capture/analysis; (c) establishing a separate fund for sustainable partnerships; and (d) clarifying line authority of BDP regarding core funding of staff and their reporting/accountability with the regional bureaux.

70. *Democratic governance.* There are many emerging governance issues in the ICT for development field where democratic governance has begun to establish its reputation (e-governance) and where it could make an important contribution. ICT, and particularly e-governance, is a major area of opportunity for democratic

governance and it is critical to develop a coherent strategy as quickly as possible in this area.

71. *HIV/AIDS.* UNDP corporate strategy and service lines are founded on the organization's strengths and provide a solid foundation for actions to address the current challenges of the epidemic. This strategy must be expanded globally and scaled up within countries; special responses should be implemented for southern Africa and other worst affected countries and regions with high prevalence rates. Development of southern expertise and institutions should be strengthened to support national efforts to implement 'leadership for results' initiatives. South-South cooperation should be encouraged and the capacity development component of the trade-related aspects of international property rights (TRIPS) – including civil society analysis and advocacy, regarding best practice trade policy and patent law for accessing low cost antiretroviral treatment – should be expanded. A new approach should be devised to measure the transformative methodologies being used to generate innovations, results, outcomes and impact, including shifts in norms, practices, behaviours and institutional change.

72. *Gender.* Despite the progress in mainstreaming of gender in MDGs and increasing references to the importance of gender equality in policy documents, evidence suggests that progress towards gender mainstreaming has been disappointing in all practice areas, even in the area of poverty. UNDP and GCF are uniquely placed to make a significant contribution to gender equality through mainstreaming strategies but this will require a much more significant commitment of resources. At this point only three of the eight SURFs have a gender policy adviser.[3] BDP does not have a specific allocation for gender programmes in its core budget and the Gender TTF was the only practice or cross-cutting area TTF that was never launched because it failed to attract donor funding. The only source of funding for gender programmes in UNDP is the Japan Women in Development Fund (JWIDF). Democratic governance can also make an important contribution to gender mainstreaming. There are some important opportunities in areas such as political participation and access to justice where democratic governance could be on the cutting-edge of gender mainstreaming.

73. *ICT for development.* Having recently closed the ICTD practice area and turned it into a service line of two practices, new organizational models could be considered for taking advantage of this growth area. ICTD offers some challenging opportunities for partnerships with the private sector, universities, NGOs and other organizations active in the field. There are potentially important windows of opportunity for UNDP which include, but are not limited to: (a) building on the extensive UNDP capacity-building experience to develop distance-learning facilities; (b) working in the governance field (for example, the Interlegis model in Brazil); (c) employment generation, women's empowerment, health education and formal education; (d) e-commerce; and (e) combating HIV/AIDS.

Strengthening management

74. Managing GCF-II is a daunting task. (Annex H of the main report provides a series of detailed technical recommendations). Through audit, performance reviews

[3] Pretoria, Dakar and Kathmandu. A gender adviser is physically located in Port-of-Spain but she reports directly to BDP and provides very limited support to the Caribbean region.

or some other mechanism, the *full costs* of providing policy support and related services at the regional level should be determined. This would include all implementation and execution costs recovered by UNDP and country offices in implementing GCF-funded initiatives, and in other costs (such as those charged by country offices for providing space, travel and other services to SURFs/regional centres). Further, systems should be implemented that can capture full costs (*cost accounting*), which could then support analysis and reporting on the *cost-benefit* of such services as well as to support financial planning and forecasting.

75. Along with the organizational changes currently being explored by BDP, a comprehensive *capacity assessment* of the Bureau should be carried out. This may result in the production of a strategic/capacity development plan for the organization, clearly demonstrating all the capacities (including personnel and financial resources) that would be required for the cost-effective management of GCF.

76. Greater attention should be given to strengthening UNDP as a *learning organization* – that is, to invest resources in learning, professional development and allow sufficient time for country office staff to familiarize themselves with ongoing policy debates, research, studies and analysis. A part of this would be to develop a corporate commitment, incentives and means to strengthen the bridge building between its study initiatives and innovation of mainstream, corporate policy.

77. *Oversight and management.* GCF is large and involves a considerable amount of core, cost-shared and thematic trust funds. In view of the several management issues raised, GCF-III should not be approved without solid assurances that UNDP is installing the proper execution, implementation and performance management capacities (especially in the areas of oversight, accountability, monitoring, reporting and related areas noted in the detailed recommendations in section 7 and annex H of the main report). UNDP should double its efforts on sound corporate governance (transparency, openness, accountability) and provide exceptional assurances that the handling of GCF meets all standards of prudent management. The cost effectiveness of future GCF phases can be greatly enhanced through strengthened capacities for execution, implementation and performance management. Selected evaluations of existing global projects, programmes and TTFs should be carried out, and the various global initiatives should be audited. All future global initiatives should be evaluated, if only to extract lessons and knowledge that can be shared globally.

78. Given GCF complexities, sufficient time will be needed to design a third phase properly. Time should be invested to analyze the noted historic challenges and opportunities and ensure that they are properly factored into a GCF-III design. Time will be needed for meaningful consultation and full participation of key internal UNDP units, external partners and other interested parties. The team was informed that preparations were underway. The UNDP *Programming Manual* suggests 18 months for this process.

V. Conclusion

79. It is important to remember that GCF-II was implemented in a period of major organizational change not only in BDP, but also in other parts of UNDP; in a way, it became a vehicle for a number of UNDP transformation goals. The strengths and shortcomings of GCF-II should be viewed in this context. The evaluation findings

present challenges and opportunities for UNDP and its many partners as it approaches the design of GCF-III. New actors have and will continue to find their way onto the stage of international development cooperation: e.g., European Union accession countries as emerging donors; global players such as Brazil, China, India and South Africa introducing new departures in South-South cooperation; large multinational corporations; global compact partnerships and the local private sector; and an expanding, increasingly active base of national and international civil society organizations.

80. In line with the organization's corporate objectives, in the past four years GCF-II has contributed to UNDP development and transformation goals, notably in turning UNDP into a learning, knowledge-sharing organization. However, lingering questions on the meaning and quality of upstream policy advice and the noted weaknesses in governance and management may combine to generate a perception that GCF serves as an exclusive facility for internal purposes only. If the next GCF phase is to serve UNDP corporate goals further, changes will be needed in the design, programming and management of the GCF facility. More fundamentally, GCF must define more sharply its niche for addressing truly global development issues of strategic importance to UNDP, and provide a clear strategy for enhancing the quality and effectiveness of UNDP work at the country level through global programmes.